

NEWS RELEASE

February 15, 2005

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WASHINGTON COUNTY'S HISTORIC TIE TO
OIL AND GAS INDUSTRY RECOGNIZED

Visitors would be hard pressed to find a trace of Utah's first producing oil field. Located near the town of Virgin, the Virgin Oil Field was first developed in 1907 and for nearly 90 years remained active in one form or another.

The Utah Division of Oil, Gas and Mining and the Board of Oil, Gas and Mining will recognize Washington County's contribution to the history of oil and gas development in Utah on Wednesday, February 23, 2005, with presentation of a plaque commemorating the Virgin Oil Field. The plaque will be presented to county officials during proceedings of the Board of Oil, Gas and Mining hearing to be held in the Washington County Administration Building, Commission Chambers, 197 East Tabernacle, St. George, Utah. That meeting will begin at 9:00 a.m.

"This year marks the 50th anniversary of the creation of Utah's oil and gas program to oversee the development of this resource," says John Baza, associate director for oil and gas with the Utah Division of Oil, Gas and Mining. "As part of our commemoration of that event we wanted to note a number of 'firsts' associated with oil and gas development in the state beginning with the Virgin Oil Field in Washington County."

About 140 wells have been drilled at the Virgin field, mostly to depths of less than 1,000 feet, in an area of approximately 440 acres. A small topping plant was constructed from 1918 to 1920 and it operated periodically into the 1970s. At peak output the plant processed 800 gallons of crude oil during an eight-hour shift. The oil was refined into fuel oil and diesel fuel and marketed locally.

By the early 1980s the field had played out and in the 1990s the Division of Oil, Gas and Mining, in concert with the Cedar City Bureau of Land Management office, plugged wells, removed the topping plant, and in the fall of 1996 completed restoration work.

The Division of Oil, Gas and Mining's oil and gas program was established in 1955 as the Oil and Gas Conservation Commission to prevent the waste of oil and gas, encourage conservation and protect correlative rights of oil and gas owners. Regulation of oil and gas exploration and development is funded by a levy on Utah oil and gas production. The program approved its first official permit on October 20, 1956.

In 1968 the Division of Oil and Gas Conservation was formed as part of the Department of Natural Resources, and in 1975 the division was assigned responsibility for administering the Mined Land Reclamation Act and became the Division of Oil, Gas and Mining.

In addition to division functions, a seven-member quasi-judicial Board of Oil, Gas and Mining is responsible for policy development and for considering appeals of division actions. The governor appoints members of the board with senate concurrence.

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